

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100258	Transitional Provisions for End of Baseball Stadium Tax - Article

State of Wisconsin
Department of Revenue

Transitional Provisions for End of Baseball Stadium Tax

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

The baseball stadium tax ends after March 31, 2020. The following transitional provisions apply for purposes of imposing the baseball stadium sales and use tax.

- **Tangible Personal Property and Digital Goods**

Sales of tangible personal property, certain coins and stamps, and digital goods, except leases, rentals, and licenses, are not subject to the baseball stadium tax if possession of the tangible personal property, coins and stamps, or the right to use the digital goods are transferred by the seller or the seller's agent to the purchaser or the purchaser's agent on or after April 1, 2020.

Sales of tangible personal property, certain coins and stamps, and digital goods, except leases, rentals, and licenses, are subject to the baseball stadium tax if possession of the property or the right to use the digital good transfers from the seller or the seller's agent to the purchaser or the purchaser's agent in the stadium district before April 1, 2020.

Example: On March 1, 2020, Individual places an order for an automobile with Dealership. The automobile is not available for delivery until April 15, 2020. Individual will pick up the vehicle from Dealership on April 16, 2020. Individual will customarily keep the automobile in Milwaukee County (a county in the baseball stadium district). The sale of the automobile to Individual is not subject to the baseball stadium tax. The sale of the automobile takes place on April 16, 2020, when Individual receives possession, which is after the end of the baseball stadium tax.

The same tax treatment applies to sales of building materials sold to contractors for use in constructing, altering, repairing, or improving real estate for others, regardless of when paid or a contract signed.

Example: On March 1, 2020, Supplier sells building materials to Contractor for use in a real property construction activity that will begin June 1, 2020. Supplier delivers the building materials to Contractor in Waukesha County (a county in the baseball stadium district) on March 15, 2020.

The sale of the building materials is subject to the baseball stadium tax because possession of the building materials transfers from Supplier to Contractor before April 1, 2020, even though construction doesn't begin until after April 1, 2020.

Exception: A contractor is not subject to the baseball stadium use tax on the purchase of building materials that are purchased outside the baseball stadium district before April 1, 2020 and first stored, used or consumed in the baseball stadium district on or after April 1, 2020.

Example: On February 15, 2020, Building Supplier sells and ships building materials to Contractor's warehouse in Kenosha County (a county **not** in the baseball stadium district) and charges 5.5% state and county sales tax. On March 1, 2020, Contractor enters into a contract to construct a house in Racine County (a county in the baseball stadium district). On April 15, 2020, Contractor removes building materials from its warehouse and transfers them to the job site in Racine County. Contractor is not subject to the baseball stadium tax on its purchase of the building materials first brought to Racine County in April 2020 because storage, use or consumption first occurred after the baseball stadium tax ended.

- **Services and Leases, Rentals, and Licenses**

Sales of taxable services and the lease, rental, or license of taxable products are not subject to the baseball stadium tax if bills are rendered on or after April 1, 2020, regardless of whether the service is furnished or the property, item, or good is leased, rented, or licensed to the customer before or after April 1, 2020.

Bills rendered before April 1, 2020, for taxable services or for the lease, rental, or license of taxable products in the baseball stadium district should include baseball stadium tax, regardless of whether the services are furnished, or the taxable products are leased, rented, or licensed, to the customer after that date.

Example: Individual is billed on March 15, 2020, for tickets to a sporting event that will occur in Milwaukee County on July 1, 2020. Individual pays for the tickets on April 15, 2020. The charge for the tickets is subject to the baseball stadium district tax because the bill was rendered before April 1, 2020.

Example: Contractor sells and plants trees for a customer in Waukesha County (a county in the baseball stadium district) on March 15, 2020. Contractor bills the customer on April 1, 2020. The charge for the trees (tangible personal property) is subject to the baseball stadium district tax because the customer received the trees before April 1, 2020. The charge for planting the trees (taxable service) is not subject to the baseball stadium tax because the bill for the service was rendered on or after April 1, 2020.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of March 9, 2020: secs. 77.52 and 77.77, Wis. Stats.

Laws enacted and in effect after March 9, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to March 9, 2020, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis.

Stats.

Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100258

March 9, 2020

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